

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Plaintiff,

v.

STEVEN E. NOTHERN,

Defendant.

Civil Action No. 05-10983 (NMG)

**ORAL ARGUMENT REQUESTED**

**SUPPLEMENTAL DECLARATION OF KEVIN B. CURRID**  
**FILED IN SUPPORT OF REPLY MEMORANDUM**

Kevin B. Currid, pursuant to 28 U.S.C. § 1746, declares under penalty of perjury as follows:

1. I am an attorney for Steven E. Nothorn in the above-referenced matter. I am a member of the Massachusetts bar and the bar of this Court. Except where otherwise indicated, I make this declaration based upon my own personal knowledge, upon public records and upon the documents related to this action.

2. On Thursday, March 9, 2006, I spoke to Richard K. Delmar, counsel to the Inspector General for the Department of the Treasury regarding the process followed in 2001 by the Office of Inspector General in completing and distributing a report of investigation and the significance of the date stamped on a report.

3. Mr. Delmar informed me that the process is governed by chapter 12 of the Special Agent's handbook, which was revised in July 2002, but that the process remained substantially unchanged from the process described in the handbook effective in 2001.

4. Mr. Delmar stated that the date of the report is merely the date that the assigned assistant inspector general completed the report. The date does not indicate when the investigation was closed or when the report was considered final.

5. When the report is completed by the assistant inspector general, it is dated and distributed to the management of the bureau implicated in the investigation for comment and possible revision or other follow-up.

6. Bureau management then has, pursuant to chapter 12.6 of the Special Agent's handbook, thirty (30) days to respond to the report.

7. Bureau management may choose not to respond, may choose to suggest revisions to the report, or may suggest that additional investigative work should be done.

8. Mr. Delmar informed me that until the thirty (30) days for possible "management action" have lapsed, the report is not "ready for release" and that sometimes bureau management requires follow-up work to be performed, or for a supplemental report to be written.

9. Consequently, Mr. Delmar stated that if a Freedom of Information Act ("FOIA") request were submitted during the 30-day period after a report of investigation has been dated and signed, the report of investigation would not be released.

10. After the 30-day period has lapsed or any follow-up work is completed, the report of investigation is considered final and ready for release. It is not, however, re-dated, but continues to bear the date it was given when the assistant inspector general initially completed the report even if revisions have been made or supplemental information was supplied.

11. Finally, Mr. Delmar stated that a report of investigation may be subject to a FOIA request and on a case by case basis may be released in response to such a request. If released,

the report of investigation would be redacted to prevent disclosure of sensitive or department personnel information.

12. I asked Mr. Delmar if the report of investigation is ever released generally to the Department of the Treasury, and he stated he was not aware of such a practice.

13. I asked if I could receive a copy of the Special Agent's handbook or the relevant chapter and was told that I would have to submit a FOIA request, which I have done. I have not received a copy of the handbook as of the date of this declaration.

14. In this litigation the Securities and Exchange Commission ("SEC") has produced an unredacted copy of a Report of Investigation, dated January 2, 2001, concerning the Department of the Treasury's Office of Inspector General's investigation of alleged unauthorized disclosure by unknown Treasury employees of information regarding the suspension of the 30-year bond.

15. The SEC has also produced a copy of the Report of Investigation, with a fax cover sheet dated January 15, 2002 indicating that it received a copy of the Report of Investigation before the 30-day period for bureau management action lapsed. A copy of this fax cover sheet is included in the letters and facsimile transmissions attached hereto as Exhibit A.

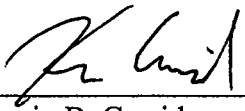
16. Based on my conversation with Mr. Delmar and his description of the Report of Investigation process, I believe that the record in this litigation shows that the SEC received a copy of the Report of Investigation before it was final, at a time when revisions could still be made, and before it would have been released to the public.

17. True and correct copies of letters and facsimile transmissions exchanged between the U.S. Department of the Treasury and the U.S. Securities and Exchange Commission between November 2001 and May 2002 and produced in this matter are attached hereto as Exhibit A.

18. A true and correct copy of the U.S. Department of the Treasury's response to Nothern's FOIA request dated November 29, 2005 is attached hereto as Exhibit B.

19. A true and correct copy of the U.S. Department of Homeland Security's response to Nothern's FOIA request (undated, but received by Nothern in January 2006) is attached hereto as Exhibit C.

I declare under penalty of perjury that the foregoing is true and correct. Executed on March 17, 2006.

  
\_\_\_\_\_  
Kevin B. Currid

## **EXHIBIT A**

**Letters and Facsimile Transmissions Exchanged Between  
U.S. Department of Treasury and U.S. Securities and  
Exchange Commission between November 2001-May 2002**



GENERAL COUNSEL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

November 6, 2001

The Honorable Harvey L. Pitt  
Chairman  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Mr. Chairman:

Per our conversations of Thursday and Friday of last week, I am referring a matter for investigation by the Securities and Exchange Commission. The focus of the inquiry, as more fully detailed in the enclosures to this letter, is an assertion that there may have been trading activity in government securities based upon confidential information learned during an embargoed quarterly funding meeting at the Treasury.

Please keep me advised.

Very truly yours,

David D. Aufhauser  
General Counsel

cc: Mr. Jeffrey Rush  
Mr. Stephen Cutler ✓

SECNOTH00102839

11/6/01

To: Andrew Sporkin SEC  
Phone 202 942 4800  
FAX 202 628 1471

From: Francine Kerner Treas  
Phone 202 622 1931 (currently @  
703 747 2205  
or 2214)  
FAX 202 622 1944  
e-mail Francine.Kerner@do.treas.gov

### Comments:

- ① 10/30 Press Release
- ② Draft press Release circulated in building  
via e-mail by Betsy Holahan
- ③ Press Release handed-out 10/31 @ end of press  
conference
- ④ Press Release about early posting
- ⑤ E-mail on file update



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

Rosemary A. Filou  
Staff Attorney  
Direct dial: 202-942-4768  
Facsimile: 202-628-1471

November 7, 2001

**BY HAND**

David Aufhauser, Esq.  
General Counsel  
Department of the Treasury  
1500 Pennsylvania Avenue, N.W., Suite 3000  
Washington, D.C. 20220  
Telephone: (202) 622-0283  
Facsimile: (202) 622-2882

Re: In the Matter of Trading in Certain Treasury Issues (HO-09353)

Dear Mr. Aufhauser:

The staff of the Division of Enforcement is conducting a non-public inquiry in the above matter, regarding trading in certain Treasury issues. In connection therewith, the staff requests that the Department of the Treasury ("Treasury") voluntarily provide us with the documents and information set forth below regarding Treasury's announcement on October 31, 2001, that it would suspend future issuance of the thirty-year Treasury bond (the "30-year bond").

First, the staff asks that Treasury supply a chronology of all disclosures of any kind to any member of the press or public concerning any proposal to suspend the 30-year bond, including but not limited to the circumstances and events surrounding the October 31, 2001 announcement. The chronology should begin with the first disclosure of any kind to any member of the press or public that Treasury might suspend issuance of the 30-year bond, and should continue with a minute-by-minute detail from the start of the October 31, 2001 press conference to its conclusion, the dissemination of materials to the conference attendees, security at the conference, any "embargo" at the conference, the movements of the attendees during and immediately following the conclusion of the conference, the posting of information on the Treasury internet website, any telephone calls Treasury

SECNOH00121319



David Aufhauser, Esq.  
General Counsel  
Department of the Treasury  
November 7, 2001  
Page 2

received pertaining to the announcement, any further action taken regarding the announcement that morning, and any and all other facts and details concerning the announcement that took place prior to 10:00 a.m. on October 31, 2001. With respect to each event identified in the chronology, please include the date and time at which it occurred, the location of the event, the participants and other persons with knowledge or access to knowledge -- including their full names, positions, addresses, and telephone numbers -- and the substance of any communications concerning the 30-year bond announcement. With respect to security and any embargo at the conference, please also indicate in the context of the chronology how the security and embargo were enforced.

Second, please supply the staff with all documents concerning the press conference on October 31, 2001, including but not limited to all documents concerning:

- (a) the agenda for the press conference;
- (b) the speakers at the conference;
- (c) a list of all attendees at the conference and their affiliation;
- (d) all documents distributed at the press conference (please also indicate when those documents were distributed);
- (e) security at the conference -- particularly in relation to who was permitted to attend, and Treasury's policy regarding cellular telephones at press conferences; and
- (f) any "embargo" at the conference, including but not limited to all documents distributed to participants and all documents that participants signed agreeing to embargo information.

In addition, please provide the following information and documents:

- (a) A description of Treasury's policies and practices for press conferences at which embargoed information is presented, including but not limited to how they are typically conducted and where, who is invited to attend, and who is permitted to attend, and all documents related thereto;
- (b) A description of Treasury's policies and practices for embargoes, and all documents related thereto;
- (c) All information and documents concerning Peter Davis, including but not limited to any and all contacts he has had with Treasury since January 1, 2001.
- (d) Identify all announcements, since January 1, 2001, in which information was embargoed, the dates and times of the press conferences and when the embargoes were lifted, and whether Peter Davis was in attendance.

This request should not be construed as an indication by the Commission or its staff that any violations of law have occurred, nor should it be considered an adverse reflection upon any person, entity or security.

SECNOTH00121320

David Aufhauser, Esq.  
General Counsel  
Department of the Treasury  
November 7, 2001  
Page 3

With the understanding that production of the requested information is voluntary, please ensure delivery of these documents no later than November 13, 2001 to the following address:

Rosemary A. Filou, Esq.  
450 Fifth Street, N.W., Mailstop 8-5  
Washington D.C. 20549-0805

For your information, enclosed please find a copy of SEC Form 1662, which addresses important matters pertaining to Commission requests for information. If you should have any questions regarding this matter, please contact me at (202) 942-4768, or Andrew Sporkin at (202) 942-4800. Thank you.

Sincerely,

Rosemary A. Filou  
Staff Attorney

Enclosure

SECNOTH00121321



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 13, 2001

VIA TELECOPIER

Andrew Sporkin, Esq.  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

Dear Mr. Sporkin:

Confirming my telephone messages to you and pursuant to your request, I have arranged to have you meet with Ms. Frances Anderson and Mr. Tony Fratto at 4:00 p.m. on Wednesday, November 14, 2001, in the General Counsel's Conference Room. I have also arranged for your requested interviews of Mr. Paul Malvey and Ms. Lula Tyler at 3:00 p.m. on Thursday, November 15, 2001. Based upon your representations of how much time you would like to have to speak to each person, I have reserved the conference room for an hour and a half for each session. I have also cleared my schedule from 12:00 to 12:45 p.m., so that we can discuss your document requests.

Lastly, Mr. Huther is available at 2:30 p.m. on Tuesday, November 20, 2001. Please let me know at your earliest convenience if you can conduct an interview at that time.

Attached please find documents related to the admission of individuals to the press conference on October 31, 2001. I will have hard copies awaiting you when you arrive tomorrow.

Sincerely,

Megan E. Hills  
Associate Deputy General Counsel

Attachments: As stated

SECNOTH00103046



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 14, 2001

**BY HAND**

Andrew Sporkin, Esq.  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

Dear Mr. Sporkin:

Enclosed please find four separate documents: print-out of a Bloomberg story, dated November 12, 2001 (3 pages), document entitled, "Davis Capital Investment Ideas," (2 pages), Email Print-out entitled, "Treasury Department Sets Procedures for Quarterly Refunding Announcement," from the Office of Public Affairs (1 page), and an email from Peter Fisher, dated November 6, 2001, regarding this investigation (1 page).

Sincerely,

Megan E. Hills  
Associate Deputy General Counsel

Enclosures: As stated

SECNOTH00103157

11/23/01

14:47

29 202 622 2882

GENERAL COUNSEL --- OFC ASST DIR

002



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 23, 2001

**BY TELECOPIER**

Andrew Sporkin, Esq.  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

Dear Mr. Sporkin:

During the interview of Mr. Jeff Huther on November 21, 2001, Mr. Ochs asked Mr. Huther to check his calendar to see whether he could ascertain when Mr. Drew Matus visited his office and when Paul Malvey made an internal announcement to the Market Financing Staff regarding suspension of the thirty year bond. Mr. Huther checked his calendar, which reflects a notation of a meeting with Drew Matus at 1:30 p.m. on October 22, 2001. Mr. Huther's calendar also bears a notation of a staff meeting on October 15, 2001, where it is likely, but not certain, that the decision to suspend the thirty year bond was internally announced.

Mr. Ochs also asked me to check with Undersecretary Peter Fisher as to whether, during early to mid-October, there was a definitive date on which the decision to terminate the long bond was made. At that juncture, such a date cannot be provided, as the decision was still undergoing analysis under the deliberative process.

You have currently expressed no desire to interview any other Treasury personnel. I am aware that, based upon any further inquiry by the SEC, this position may change; however, as I told you on November 9, 2001, any new interviews will have to be completed by November 29, 2001, or after December 17, 2001, as I will be on my honeymoon.

Sincerely,

Megan E. Hills  
Associate Deputy General Counsel

cc: Undersecretary Peter Fisher  
Mr. Jeff Huther  
Mike Norr, Esq.

SECNOTH00103169

6919 Langley Place  
University Park, Florida 34201  
December 3, 2001

Ms. Rosemary A. Filou  
Senior Attorney  
U.S. Securities and Exchange Commission  
Division of Enforcement  
450 5<sup>th</sup> Street, N.W.  
Washington, D.C. 20549-0805


Re: Subpoena Number HO-9353, Trading in Certain Treasury Issues

Dear Ms. Filou:

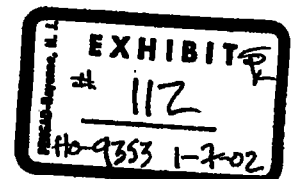
I am replying to your letter of November 26, enclosing the above-referenced subpoena. As we discussed in our telephone conversation, I have received the letter and subpoena by fax at my hotel in Caracas, Venezuela. I am faxing my response to you and will mail the original to you when I reach my home on December 8, 2001.

1. I do not have in my possession, custody or control any documents concerning Peter Davis' attendance at press conferences at Treasury.
2. I do not have in my possession, custody or control any documents concerning any communications, discussions, or contacts with Peter Davis at any time.
3. I do not keep telephone records. Therefore, I do not have in my possession, custody or control any telephone records from October 1, 2001 to the present.
4. No telephone numbers have been assigned to me from October 1, 2001 to the present.

Sincerely,



Jill K. Ouseley



SECNOTH00119480



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

Rosemary A. Filou  
Staff Attorney  
Direct dial: 202-942-4768  
Facsimile: 202-628-1471

December 19, 2001

**VIA FACSIMILE**  
**AND FIRST-CLASS MAIL**

Megan Hills, Esq.  
Associate Deputy General Counsel  
Department of the Treasury  
Washington, D.C. 20220  
Facsimile: (202) 622-2882

Re: Trading in Certain Treasury Securities, HO-9353

Dear Megan:

As we discussed on the telephone yesterday afternoon, the staff requests that you voluntarily provide certain additional information to us in conjunction with the above matter. Please provide the following at your earliest opportunity:

1. Business, home, and cellular telephone numbers for (1) Tim Bitsberger; (2) Brian Roseboro; (3) Jeff Huther; and (4) Paul Malvey.
2. (a) The telephone numbers for any telephone lines in the Treasury press room; and (b) The business and cellular telephone numbers for all members of the Treasury press pool, and any other member of the press who typically reports on Treasury.

If you should have any questions about this matter, please feel free to contact me at (202) 942-4768. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemary A. Filou".

Rosemary A. Filou  
Senior Attorney

SECNOH00125932



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

Rosemary A. Filou  
Staff Attorney  
Direct dial: 202-942-4768  
Facsimile: 202-628-1471

January 9, 2002

**VIA FACSIMILE**  
**AND FIRST-CLASS MAIL**

Megan Hills, Esq.  
Associate Deputy General Counsel  
Department of the Treasury  
Washington, D.C. 20220  
Facsimile: (202) 622-2882

Re: Trading in Certain Treasury Securities, HO-9353

Dear Megan:

As we discussed on the telephone, the staff requests that you voluntarily provide information concerning any Treasury rules and regulations with respect to visitor passes, specifically those rules and regulations that govern or establish the responsibilities of persons who receive visitor passes.

If you should have any questions about this matter, please feel free to contact me at (202) 942-4768. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemary".

Rosemary A. Filou  
Senior Attorney

SECNOTH00125893





UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

January 9, 2002

**BY FACSIMILE  
AND FIRST-CLASS MAIL**

Mr. Michael Tarr  
Assistant Inspector General for Investigations  
Department of the Treasury  
740 Fifteenth Street, N.W., Suite 500  
Washington, D.C. 20220  
Facsimile: (202) 927-5421

Re: In the Matter of Trading in Certain Treasury Issues, HO-9353

Dear Mr. Tarr:

Your special agent, Michael Knorr, has informed the staff of the Division of Enforcement that your office has completed a report of investigation concerning the matter of the Department of the Treasury's October 31, 2001, quarterly refunding announcement. We understand that you will send the report to the General Counsel at Treasury, as well as the Office of Public Affairs and Undersecretary Fisher. The Division of Enforcement requests that you voluntarily provide a copy of the report to the Division of Enforcement prior to its release to the Department of Treasury.

If you should have any questions about this matter, please contact Rosemary Filou at (202) 942-4768. Thank you for your cooperation.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. Baker III".

William R. Baker III  
Associate Director

SECNOTH00121524



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

JAN 10 2002

William R. Baker III  
Associate Director  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Subject: Matter of Trading in Certain Treasury Issues, HO-9353  
OIG Case Number: 2002-0104

Dear Mr. Baker:

Reference is made to your facsimile letter dated January 9, 2001, requesting an advance copy of our Report of Investigation (ROI) relating to the captioned subject.

The ROI was issued on this date to the appropriate personnel at the Department of the Treasury. The Inspector General did not wish to release an advance copy of the report. It is my understanding that Senior Investigator Knorr of my staff informed members of your staff as to the recipients of the report.

If you have any questions concerning this matter, please contact me at (202) 927-5260, or a member of your staff may contact Senior Investigator Mike Knorr, at (202) 927-5369.

Sincerely,

A handwritten signature in black ink that reads "Michael C. Tarr". The signature is written in a cursive style with a large, stylized "M" and "T".

Michael C. Tarr  
Assistant Inspector General  
for Investigations

SECNOTH00124405

JAN-15-2002 TUE 09:27 AM TREAS OIG INVESTIGATIONS FAX NO. 202 927 5421

P. 01



## Facsimile Transmittal Sheet



DEPARTMENT OF THE TREASURY  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
740 15th Street, N.W., Suite 500  
Washington, DC 20220

Telephone Number: (202) 927-5260

Facsimile Number: (202) 927-5421

DATE:

~~1/14/02~~ 1/15/02

TO:

Andrew Sporkin - SEC

FAX NUMBER:

628 - 1471

VOICE NUMBER:

FROM:

Mike Knorr

COMMENTS/SPECIAL INSTRUCTIONS:

and try

PORTIONS OF THIS INFORMATION MAY BE SENSITIVE.

TOTAL NUMBER OF PAGES (INCLUDING FAX HEADER):

15

SECNOH00103706



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

Rosemary A. Filou  
Staff Attorney  
Direct dial: 202-942-4768  
Facsimile: 202-628-1471

January 16, 2002

**VIA FACSIMILE**  
**AND FIRST-CLASS MAIL**

John Vardaman, Esq.  
Special Assistant to the General Counsel  
Department of the Treasury  
Washington, D.C. 20220  
Facsimile: (202) 622-2882

Re: Trading in Certain Treasury Issues, HO-9353

Dear John:

I write to memorialize the staff's request that you voluntarily produce Paul Malvey's copy of the 1999 Davis Capital Investment Ideas newsletter regarding a "crack debt management team" at Treasury. In addition, the staff asks that you voluntarily inform us of the current address along with any other contact information Treasury may possess for former Deputy Assistant Secretary of the Treasury Roger Anderson.

If you should have any questions about this matter, please feel free to contact me at (202) 942-4768. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemary".

Rosemary A. Filou  
Senior Attorney

SECNOTH00125870



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

Rosemary A. Filou  
Staff Attorney  
Direct dial: 202-942-4768  
Facsimile: 202-628-1471

February 26, 2002

**VIA FACSIMILE  
AND FIRST-CLASS MAIL**

John Vardaman, Esq.  
Special Assistant to the General Counsel  
Department of the Treasury  
Washington, D.C. 20220  
Facsimile: (202) 622-2882

Re: Trading in Certain Treasury Issues, HO-9353

Dear John:

I write to request that you voluntarily produce the embargo times for the May 2, 2001, and August 1, 2001, quarterly refunding announcements. To the extent that the information was documented in any form, please supply those documents. If the embargo was orally announced, please indicated who announced the embargo time and when the announcement was made, as well as the embargo time itself. Please provide the information via fax to me at (202) 628-1471.

If you should have any questions about this matter, please feel free to contact me at (202) 942-4768. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemary A. Filou".

Rosemary A. Filou  
Senior Attorney

SECNOTH00125769



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

March 4, 2002

RECEIVED  
2002 MAR 18 AM 8:36  
ENFORCEMENT

**BY FACSIMILE AND FIRST CLASS MAIL**

Rosemary A. Filou, Esq.  
Senior Attorney  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

Dear Rosemary:

This letter is in response to your letter dated February 26, 2002, wherein you requested information regarding the May 2, 2001, and August 1, 2001, quarterly refunding announcements.

I forwarded your request to Tony Fratto, Director of the Office of Public Affairs, who was responsible for announcing the embargo at both the May 2, 2001, and August 1, 2001, quarterly refunding announcements. Though it has been some time, Mr. Fratto recalls that the May 2<sup>nd</sup> announcement started shortly after 9:00 a.m. and ended around 9:25 a.m., while the August 1<sup>st</sup> announcement started precisely at 9:00 a.m. and lasted until approximately 9:30 a.m. As is the custom, Mr. Fratto orally issued a 15-20 minute embargo at the conclusion of the news conference following both announcements. Accordingly, the May 2<sup>nd</sup> embargo was in effect from approximately 9:25 a.m. until 9:45 a.m., and the August 1<sup>st</sup> embargo from 9:30 a.m. until 9:50 a.m. The Treasury Department did not issue any documents in regard to either embargo, nor is it the Treasury Department's practice to do so.

If you have any further inquiries, please do not hesitate to call me (202) 622-1963.

Sincerely,

John W. Vardaman, III  
Special Assistant to the General Counsel

cc: Michael C. Knorr

SECNOTH00103313



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

DIVISION OF  
ENFORCEMENT

Rosemary A. Filou  
Staff Attorney  
Direct dial: 202-942-4768  
Facsimile: 202-628-1471

March 7, 2002

**BY FACSIMILE**  
**AND FIRST-CLASS MAIL**

Mr. Michael Tarr  
Assistant Inspector General for Investigations  
Department of the Treasury  
740 Fifteenth Street, N.W., Suite 500  
Washington, D.C. 20220  
Facsimile: (202) 927-5421

Re: In the Matter of Trading in Certain Treasury Issues, HO-9353

Dear Mr. Tarr:

As we discussed with Special Agent Michael Knorr earlier today, we request that you inform us whether anyone has reported to the Office of Inspector General a leak stemming from any quarterly refunding press announcement at Treasury in the last ten years, and, if so, whether or not the Office of Inspector General investigated the report.

If you should have any questions about this matter, please feel free to contact me at (202) 942-4768. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemary A. Filou".

Rosemary A. Filou  
Senior Attorney

SECNOTH00125664



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

MAR 21 2002

Ms. Rosemary A. Filou  
Staff Attorney  
United States  
Securities and Exchange Commission  
Division of enforcement  
450 Fifth Street, NW  
Washington, D.C. 20549-0805

Re: In the Matter of Trading in Certain Treasury Issues, HO-9353

Dear Ms. Filou:

Reference is made to your facsimile request, dated March 7, 2002, and to subsequent telephone conversations between Senior Attorney Andrew Sporkin of your office and Michael Knorr.

On March 14 and 18, 2002, a record search was conducted by the Office of Inspector General, Office of Investigations, through the Investigation Data Management System (IDMS). Names and phrases within the parameters of our query included quarterly refunding, press announcements, Market Finance, and the name Peter Davis. With the exception of information contained in our most recent Report of Investigation, a copy of which was previously provided to your office, our IDMS record search disclosed no relevant information.

Sincerely,

*Michael C. Knorr*  
for James W. Burke  
Special Agent in Charge

RECEIVED  
2002 MAR 25 PM 4:27  
ENFORCEMENT

SECNOTH00124364





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

April 5, 2002

**BY FACSIMILE AND FIRST CLASS MAIL**

Rosemary A. Filou, Esq.  
Senior Attorney  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

Dear Rosemary:

In response to your request, this letter is intended to clarify my March 4, 2002, letter regarding the embargo times for the May 2, 2001, and August 1, 2001, quarterly refunding announcements.

To be clear, at the conclusion of the press conference on May 2, Tony Fratto, Director of the Office of Public Affairs, announced that an embargo was in effect until approximately 9:45 a.m. At the conclusion of the press conference on August 1, Mr. Fratto announced that an embargo was in effect until approximately 9:50 a.m.

If you have any further inquiries, please do not hesitate to call me at (202) 622-1963.

Sincerely,

John W. Vardaman, III  
Special Assistant to the General Counsel

cc: Michael C. Knorr

RECEIVED  
APR 18 PM 3:38  
ENFORCEMENT

SECNOTH00103322



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

April 19, 2002

**BY FACSIMILE AND FIRST CLASS MAIL**

Rosemary A. Filou, Esq.  
Senior Attorney  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

RECEIVED  
2002 MAY -3 AM 4:06  
ENFORCEMENT

Dear Rosemary:

In response to your letter dated April 17, 2002, enclosed please find a November 14, 2001 press release from the Office of Public Affairs regarding the Treasury Department's new procedures for quarterly refunding announcements. This constitutes the only official Treasury communication of the change in procedures.

As we discussed this morning, I am still in the process of determining how to obtain records reflecting each occasion that Peter J. Davis, Jr. entered the Main Treasury building. I will keep you apprised as more information becomes available.

If you have any further inquiries, please do not hesitate to call me at (202) 622-1963.

Sincerely,

John W. Vardaman, III  
Special Assistant to the General Counsel

cc: Michael C. Knorr

SECNOTH00103326

MAY-02-2001 05:00

GC TREASURY

3000 P.02



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

May 2, 2002

**BY FACSIMILE AND FIRST CLASS MAIL**

Rosemary A. Filou, Esq.  
Senior Attorney  
SEC  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0805

Re: SEC Inquiry

Dear Rosemary:

Yesterday you requested copies of the "pre-announcement" statements issued by the Treasury Department prior to the May, August and October 2001 Quarterly Refunding Press Conferences.

As we discussed today, there are three components to a Quarterly Refunding announcement. The announcement itself always takes place on a Wednesday morning at the end of the first month of a quarter. On Monday of that week, Treasury announces its Market Financing Estimates, which set forth Treasury's public debt activity during the preceding quarter, the ending cash balance, borrowing estimates for the following quarter, and projected ending cash balances. On Tuesday, the Director of the Office of Macroeconomic Analysis (usually) delivers a status report on the current state of the U.S. economy to the Treasury Borrowing Advisory Committee.

Copies of both documents issued pursuant to the May, August and October 2001 Quarterly Refunding announcements are enclosed herewith.

If you have any further inquiries, please do not hesitate to call me at (202) 622-1963.

Sincerely,

John W. Vardaman, III  
Special Assistant to the General Counsel

cc: Michael C. Knorr

SECNOTH00103347

## **EXHIBIT B**

**U.S. Department of Treasury's Response To  
Nothorn's FOIA Request dated November 29, 2005**



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 29, 2005

RE: 2005-11-046

Mr. Kevin B. Currid  
Foley Hoag LLP  
Attorneys At Law  
Seaport World Trade Center West  
155 Seaport Blvd.  
Boston, MA 02210-2600

Dear Mr. Currid:

Your Freedom of Information Act (FOIA) request dated November 11, 2005, was received in this office.

One of the offices to which your request has been assigned is experiencing a substantial backlog of FOIA requests and cannot meet the normal time limits. They have established an orderly procedure for responding to requests, which is generally on a first-in, first-out basis. Be assured that your request will be answered as soon as possible.

Further inquiries concerning this request should make reference to the identification number at the top of this letter and should be faxed to 202-622-3895 or mailed to:

FOIA/PA Request  
Disclosure Services  
Department of the Treasury  
Washington, DC 20220

As of March 1, 2003, the U.S. Secret Service was transferred to the Department of Homeland Security and is no longer a bureau of the Department of the Treasury. You may want to also send your FOIA request to the following address:

Freedom of Information Act Request  
U. S. Secret Service  
950 H Street, NW  
Suite 3000  
Washington, DC 20223

Sincerely,

Alana Johnson  
Director, Disclosure Services

## **EXHIBIT C**

**U.S. Department of Homeland Security's Response To  
Nothorn's FOIA Request received January 2006**



DEPARTMENT OF HOMELAND SECURITY  
UNITED STATES SECRET SERVICE  
WASHINGTON, D.C. 20223

*Received Jan. 2006*

*Richard*

Freedom of Information and Privacy Acts Branch  
245 Murray Drive  
Building 410  
Washington, D.C. 20223

Foley Hoag LLP  
Attorneys At Law  
Seaport World Trade Center West  
1550 Seaport Blvd  
Boston, MA 02210-2600  
Attn: Kevin B. Currid

File Number: 20050765 - 20050803

Dear Requester:

This letter is intended to acknowledge the receipt of your recent Freedom of Information/Privacy Acts requests received by the United States Secret Service on December 20, 2005, for information pertaining to the following:

File No. 20050765 - Copies, including drafts and supplemental reports of the United States Department of the Treasury, Office of Inspector General's, Report of Investigation No. 2002-0104;

File No. 20050766 - All documents provided to the United States Securities and Exchange Commission ("SEC") concerning the events investigated in case number 2002-0104;

File No. 20050767 - All communications with the SEC concerning the events investigated in case number 2002-0104, including without limitation all communications with SEC attorneys Andrew Sporkin and Rosemary Filou;

File No. 20050768 - All documents concerning the government's announcement by Peter R. Fisher, Treasury, Under Secretary for Domestic Finance, to suspend issuance of the 30-year bond during the quarterly refunding meeting press conference at Treasury on October 31, 2001;

File No. 20050769 - All documents concerning the Treasury Office of Public Affairs' posting of Mr. Fisher's announcement on the Treasury Department's web site on October 31, 2001;

File No. 20050770 - All documents, including without limitation any interview notes or summaries from interviews conducted of Treasury Webmaster David Borowski;

File No. 20050771 - All documents concerning the identification of the individuals who attended the quarterly refunding press conference at Treasury on October 31, 2001;

File No. 20050772 - All documents, including drafts, concerning a memorandum, dated November 5, 2001 by Treasury Associate Deputy Counsel Megan Hills regarding the Office of General Counsel's contact with Ward McCarthy;

File No. 20050773 - All documents, including drafts, concerning a memorandum, dated November 6, 2001 by Treasury Associate Deputy Counsel Megan Hills regarding the Office of General Counsel's contact with Fran Bermanzohn, General Counsel, for the 6<sup>th</sup> Income Division, Goldman Sachs Brokerage;

File No. 20050774 - All documents, including drafts, concerning a memorandum, dated November 9, 2001 by Treasury Associate Deputy Counsel Megan Hills;

File No. 20050775 - All documents concerning any communications with Goldman Sachs Brokerage in connection with the Office of Inspector General's case number 2002-0104, including without limitation all interview notes, transcripts or summaries;

File No. 20050776 - All documents concerning any communications with Massachusetts Financial Services Company ("MFS") in connection with the Office of Inspector General's case number 2002-0104, including without limitation all interview notes, transcripts or summaries;

File No. 20050777 - All documents, including drafts, concerning a memorandum, dated November 5, 2001 from the Treasury Office of General Counsel regarding the identification of the individuals who attended the quarterly refunding press conference at Treasury on October 31, 2001;

File No. 20050778 - All documents concerning referral letter of David D. Aufhauser, General Counsel, dated November 6, 2001;

File No. 20050779 - All documents concerning a memorandum of Thomas M. McGivern, Counsel to the General Counsel, dated November 6, 2001;

File No. 20050780 - All documents concerning a memorandum of Steven Vagle, Office of the General Counsel, undated;

File No. 20050781 - All documents concerning a memorandum of Sgt. John Muskette, USSS, UD, Appointment Center dated November 6, 2001;

File No. 20050782 - All documents concerning e-mail messages of Jill Cetina, dated October 31, 2001;

File No. 20050783 - All documents regarding Office of Inspector General's case number 2002-0104 concerning any of the following individuals, including without limitation all interview notes, transcripts, or summaries: Frances Anderson, Public Information Coordinator, Office of Public Affairs, Jill Cetina, International Economist, Office of Foreign Exchange Operations, Peter Davis, Tony Fratto, Director, Office of Public Affairs, Elizabeth Holahan, Public Affairs Specialist, Office of Public Affairs, Jeff Huther, Financial Economist, Office of Market Finance, Paul Malvey, Director, Office of Market Finance, Brian Roseboro, Assistant Secretary for Market Finance, and Lula Tyler, Administrative Assistant, Office of Market Finance;



File No. 20050785 - All documents concerning the admittance of Peter Davis to any press  
conference at Treasury from 1996 through 2001;

File No. 20050786 - All documents concerning communications between Peter Davis and Paul  
Malvey, Jill Ouseley, or Lula Tyler;

File No. 20050787 - All documents concerning Department of the Treasury policies concerning  
information embargos enforced at Treasury press conference from 1996 through 2001;

File No. 20050788 - All documents concerning the implementation and enforcement by the  
Department of Treasury of 31 C.F.R. §§ 407.5 and 407.14 and all other regulations concerning the  
requirement of all persons on Treasury property to comply with the instructions of Treasury guards,  
with official signs of a prohibitory nature, and with the directions of other authorized officials;

File No. 20050789 - All documents concerning any Freedom of Information Requests regarding  
Office of Inspector General, case number 2002-0104;

File No. 20050790 - All documents concerning the investigation and/or lawsuit relating to the SEC  
Administrative Proceeding entitled In the Matter of Massachusetts Financial Services Company,  
File No. 3-11241;

File No. 20050791 - All documents produced pursuant to a subpoena, FOIA request or otherwise,  
concerning the investigation and/or lawsuit relating to the SEC Administrative Proceeding entitled  
In the Matter of Massachusetts Financial Services Company, File No. 3-11241;

File No. 20050792 - All documents concerning the investigation and/or lawsuit relating to the civil  
action captioned as, United States Securities and Exchange Commission v. Peter J. Davis, Jr. et al.,  
Civil Action No. 03-6672 (S.D.N.Y.);

File No. 20050793 - All documents produced pursuant to a subpoena, FOIA request or otherwise,  
concerning the investigation and/or lawsuit relating to the civil action captioned as, United States  
Securities and Exchange Commission v. Peter J. Davis, Jr. et al., Civil Action No. 03-6672  
(S.D.N.Y.);

File No. 20050794 - All documents concerning the lawsuit relating to the civil action captioned as,  
Premium Plus Partners, L.P. v. Peter J. Davis, Jr. et al., Civil Action No. 04-1851 (N.D.ILL.),  
including without limitation all deposition transcripts;

File No. 20050795 - All documents produced pursuant to a subpoena, FOIA request or otherwise,  
concerning the lawsuit relating to the civil action captioned as, Premium Plus Partners, L.P. v. Peter  
J. Davis, Jr. et al., Civil Action No. 04-1851 (N.D.ILL.);

File No. 20050796 - All documents concerning the investigation and/or criminal action captioned  
as, United States of America v. Peter Davis, Criminal Action No. 03-1054 (S.D.N.Y.);

Case 1:05-cv-10983-NMG Document 37-4 Filed 04/25/2006 Page 5 of 5  
File No. 20050797 - All documents produced pursuant to a subpoena, FOIA request or otherwise, concerning the investigation and/or criminal action captioned as, United States of America v. Peter Davis, Criminal Action No. 03-1054 (S.D.N.Y.);

File No. 20050798 - All documents concerning the investigation and/or criminal action captioned as, United States of America v. John Youngdahl, Criminal Action No. 03-0991 (S.D.N.Y.);

File No. 20050799 - All documents produced pursuant to a subpoena, FOIA request or otherwise, concerning the investigation and/or criminal action captioned as, United States of America v. John Youngdahl, Criminal Action No. 03-0991 (S.D.N.Y.);

File No. 20050800 - All documents concerning communications with Merrill Lynch regarding bond transactions on October 31, 2001 including, without limitation, documents concerning allegations of insider trading;

File No. 20050801 - All communications with, MFS, the SEC, or the Department of Justice or the United States Attorney's Office for the Southern District of New York or any other district concerning the subject matter of Office of Inspector General case number 2002-0104;

File No. 20050802 - All documents produced pursuant to subpoena, FOIA request or otherwise, concerning the investigation and/or lawsuit relating to the SEC Administrative Proceeding entitled In the Matter of Goldman, Sachs & Co., File No. 3-11240; and

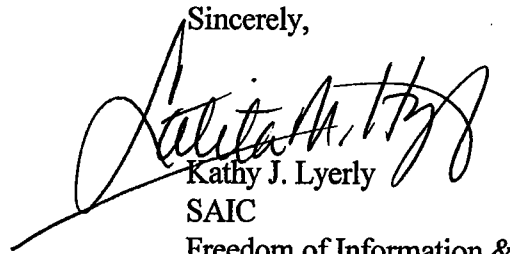
File No. 20050803 - All documents produced pursuant to a subpoena, FOIA request or otherwise, concerning the investigation and/or lawsuit relating to the SEC Administrative Proceeding entitled In the Matter of John M. Youngdahl, File No. 3-11349.

A search for files responsive to your requests is being conducted. When the results of the search are known, you will be notified.

Please use the file numbers indicated above in all future correspondence with this office.

We solicit your cooperation and assure you that the search will be conducted as expeditiously as possible.

Sincerely,



Kathy J. Lyerly  
SAIC  
Freedom of Information &  
Privacy Acts Officer